

MEETING NUMBER 3098

JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, JUNE 30, 2016
9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
ONE DETROIT CENTER, 500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

JUNE ADAMS	EX/OFFICIO TRUSTEE/ALTERNATE-CORPORATION COUNSEL
MARK DIAZ	ELECTED TRUSTEE/POLICE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYORAL DESIGNEE
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
SEAN P. NEARY	ELECTED TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/ALTERNATE-HONORABLE MAYOR/VICE CHAIRPERSON
PAMELA SCALES	EX/OFFICIO TRUSTEE/BUDGET DIRECTOR
JOHN SERDA	ELECTED TRUSTEE/POLICE
DAVID SZYMANSKI	EX/OFFICIO TRUSTEE/TREASURER
TRACY THOMAS	ELECTED TRUSTEE/FIRE
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
JOHN G. TUCKER	ELECTED RETIRANT TRUSTEE/FIRE

TRUSTEES EXCUSED

NONE

TRUSTEES ABSENT

NONE

STAFF PRESENT

CYNTHIA A. THOMAS	EXECUTIVE DIRECTOR
DAVID CETLINSKI	ASSISTANT EXECUTIVE DIRECTOR
RYAN C. BIGELOW	CHIEF INVESTMENT OFFICER
MICHAEL KRUSHENA	INVESTMENT OFFICER
RONALD A. KING	GENERAL COUNSEL
JANET S. LENEAR	RECORDING SECRETARY

STAFF EXCUSED

NONE

STAFF ABSENT

NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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CHAIRPERSON

JEFFREY PEGG

VICE CHAIRPERSON

PORTIA ROBERSON

FOLLOWING A VERBAL ROLL CALL, CHAIRPERSON **PEGG** CALLED THE MEETING TO ORDER AT **9:05 A.M.**

JUNE 30, 2016 AGENDA

BY TRUSTEE TUCKER – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT TODAY'S **JUNE 30, 2016** AGENDA BE APPROVED AS PREPARED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NEARY, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

HYBRID APPLICATIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE HYBRID APPLICATIONS WHICH ARE REFERENCED BELOW BE APPRROVED:

HYBRID APPLICATIONS

NAME/TITLE/DEPARTMENT: DARRIS ALVIN – OFFICER - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 06 16 – 01 17 15

NAME/TITLE/DEPARTMENT: JONATHAN PARRELL – SERGEANT - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 01 01 05 – 11 06 1

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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HYBRID APPLICATIONS - CONTINUED

HYBRID APPLICATIONS - CONTINUED

NAME/TITLE/DEPARTMENT: ROY HARRIS – OFFICER - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 01 04 26 – 11 27 15

NAME/TITLE/DEPARTMENT: TERRY WILCOX – OFFICER - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 11 22 – 06 22 15

NAME/TITLE/DEPARTMENT: ALLEN MARTIN – SERGEANT - FIRE
RETIREMENT TYPE/PLAN: SERVICE HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 07 14 – 02 15 15

NAME/TITLE/DEPARTMENT: TOMMY TINSLEY, JR. – OFFICER - POLICE
RETIREMENT TYPE/PLAN: SERVICE HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 01 02 00 – 08 31 15

NAME/TITLE/DEPARTMENT: JAMES CURRY – SERGEANT - FIRE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 03 20 – 10 21 14

NAME/TITLE/DEPARTMENT: CLAMETTA BUTLER – SERGEANT - POLICE
RETIREMENT TYPE/PLAN: SERVICE HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 00 04 – 07 05 14

NAME/TITLE/DEPARTMENT: BOBBY WARD – SERGEANT - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 01 02 09 – 09 10 15

NAME/TITLE/DEPARTMENT: DARREN JOHNSON – SERGEANT - POLICE
RETIREMENT TYPE/PLAN: SERVICE HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 02 25 – 09 26 14

NAME/TITLE/DEPARTMENT: MELINEE LONG-THOMASON – SERGEANT - POLICE
RETIREMENT TYPE/PLAN: SERVICE HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 00 08 – 07 09 14

NAME/TITLE/DEPARTMENT: VAUGHN THORNTON – CORPORAL - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 01 04 20 – 11 30 15

NAME/TITLE/DEPARTMENT: RAMON CHILDS – SERGEANT - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 01 00 19 – 07 20 15

NAME/TITLE/DEPARTMENT: COLUMBUS SYKES – SERGEANT - POLICE
RETIREMENT TYPE/PLAN: DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 01 07 01 – 02 02 16

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HYBRID APPLICATIONS - CONTINUED

HYBRID APPLICATIONS - CONTINUED

NAME/TITLE/DEPARTMENT: TIMOTHY DOLLINGER – CAPTAIN - POLICE
RETIREMENT TYPE/PLAN: SERVICE HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE: 00 00 17 – 07 18 14

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NEARY, ROBERSON, SERDA,
SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

DROP APPLICATIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE DROP APPLICATIONS WHICH ARE DESIGNATED BELOW BE APPROVED:

DROP APPLICATIONS

NAME/TITLE/DEPARTMENT: JOHN BENNETT – OFFICER - POLICE
RETIREMENT TYPE/PLAN: DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE: 18 00 07 – 07 04 16

NAME/TITLE/DEPARTMENT: CARL SMITH – FIRE FIGHTER - FIRE
RETIREMENT TYPE/PLAN: DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE: 18 04 18 – 06 01 16

NAME/TITLE/DEPARTMENT: DAVID TOREY – LIEUTENANT - POLICE
RETIREMENT TYPE/PLAN: DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE: 21 01 07 – 07 07 16

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NEARY, ROBERSON, SERDA,
SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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RETIREMENT APPLICATION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT SUBJECT TO VERIFICATION OF JOHN BERLIN'S OPTION SELECTION, THE FOLLOWING RETIREMENT APPLICATIONS BE APPROVED:

RETIREMENT APPLICATION

NAME/TITLE/DEPARTMENT: MICHAEL HENDRIX – OFFICER - POLICE
RETIREMENT TYPE/PLAN: CONVERSION FROM DUTY DISABILITY - NEW
SERVICE CREDIT/EFFECTIVE DATE: 25 00 00 – 05 11 16

NAME/TITLE/DEPARTMENT: JOHN BERLIN – FIRE FIGHTER - FIRE
RETIREMENT TYPE/PLAN: EARLY RETIREMENT - NEW
SERVICE CREDIT/EFFECTIVE DATE: 19 10 22 – 03 07 16

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NEARY, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

RECEIPTS

THE FOLLOWING RECEIPTS WERE ACKNOWLEDGED BY THE BOARD:

The Police & Fire Retirement System of the City of Detroit Receipts for Acknowledgement 6/13/16-6/24/16			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS			
Tailwind Capital Partners	06/13/16	Distribution	78,153.00
The Superior Fund	06/15/16	Distribution	7,303,302.00
USPF II Institutional Fund	06/17/16	Distribution	186,487.00
Falconhead Capital Partners II	06/17/16	Distribution	7,071.00
Steward Real Estate Partners Fund	06/22/16	Distribution	132,000.00
Ackerson & Yann - Dott Acquisition	06/24/16	Disbursement	187,299.55
Scott+Scott - PFRS v. Crane Litigation	06/24/16	Settlement Distribution	10,000.00
Alamerica Bank Sanctions	06/24/16	Distribution	12,500.00
Alex Brown Realty - Beethoven	06/24/16	Distribution	5,689.47
Alex Brown Realty - Lafer	06/24/16	Distribution	16,916.10
FIRST INDEPENDENCE BANK	06/08/16	Loan Deductions	39,672.59
FIRST INDEPENDENCE BANK	06/22/16	Loan Deductions	140,277.58
CITY OF DETROIT	06/13/16	Weekly Mandatory Employee Contribution	228,398.02
CITY OF DETROIT	06/13/16	Weekly Annuity Contribution	3,519.61
CITY OF DETROIT	06/17/16	Weekly Mandatory Employee Contribution	78,544.92
CITY OF DETROIT	06/17/16	Weekly Annuity Contribution	841.52
		TOTAL RECEIPTS	\$ 8,430,672.36

TRUSTEE **ANGELA R. JAMES** ENTERED THE MEETING AT 9:13 A.M., AND EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** ENTERED AT 9:15 A.M.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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DISBURSEMENTS

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE FOLLOWING DISBURSEMENTS BE APPROVED:

The Police & Fire Retirement System of the City of Detroit			
Disbursements for Approval			
6/13/16-6/24/16			
Meeting #3098			
June 30, 2016			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
Retired Payroll		Direct Deposit for Retirees - 6/30/2016	16,780,045.76
Retired Payroll		Checks for Retirees - 6/30/2016	6,980,379.84
Annuity Refunds		Refund List # 3639	990,289.29
Checkwrite		Capital Calls, Legal, Administrative & Misc. Expenses	0.00
Loan Program		Loan Funding: Meeting No. 3097	20,449.00
		TOTAL DISBURSEMENTS	\$ 24,771,163.89

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

LIST OF DISBURSEMENTS FOR BOARD APPROVAL

FOR JUNE 30, 2016

PAYEE	DATE	INVOICE NO.	DESCRIPTION	AMOUNT
CAPITAL CALLS:				
SYNDICATED COMMUNICATIONS VENTURE PA	6/17/2016		Due 7/1/16	\$19,879.00
Subtotal				\$19,879.00
MANAGEMENT FEES:				
NORTHPOINTE CAPITAL, LLC	4/11/2016	041116	Management Fees - 1Q16	\$68,765.29
Subtotal				\$68,765.29
ADMINISTRATIVE EXPENSES:				
COMCAST	6/14/2016	061416	High-Speed Internet	\$157.18
CREATIVE BREAKTHROUGHS INC	6/27/2016	119116	IT Security Svcs	\$3,500.00
DIRECTV	6/24/2016	28836185047	Service Charges (Late Fees)	\$6.80
F. LOGAN DAVIDSON, P.C.	6/28/2016	160628.1	PFRS PITG Holdings Corp: Out-of-Pocket Expenses for 2015	\$1,175.00
FEDEX	6/15/2016	5-449-61269	FedEx Mailings	\$20.37
FEDEX	6/22/2016	5-457-20688	FedEx Mailings	\$20.37
FORMS TRAC ENTERPRISES, INC	6/13/2016	63724	Printing Services	\$272.50
FORMS TRAC ENTERPRISES, INC	6/13/2016	63723	Printing Services	\$87.33
FORMS TRAC ENTERPRISES, INC	6/13/2016	63722	Printing Services	\$32.04
FORMS TRAC ENTERPRISES, INC	6/13/2016	63721	Printing Services	\$32.05
IT STAFF WAGES	6/30/2016		IT Staff Wages for June 2016	\$38,941.51
JRW CREATIVE IDEOLOGY	6/23/2016	2016 025	Creative Design Svcs - Annual Report	\$5,300.00
QUILL CORPORATION	6/10/2016	6555646	Office Supplies	\$59.35
QUILL CORPORATION	6/10/2016	6544807	Office Supplies	\$148.81
QUILL CORPORATION	6/10/2016	6606660	Office Supplies	\$71.08
QUILL CORPORATION	6/13/2016	6575001	Office Supplies	\$17.96
QUILL CORPORATION	6/13/2016	6579075	Office Supplies	\$19.79
QUILL CORPORATION	6/13/2016	6578940	Office Supplies	\$13.50
RICOH	6/22/2016	5042724680	Contract Services	\$253.10
SHRED-IT USA	6/9/2016	9411038390	Off-Site Regular Service	\$47.73
STAFF WAGES	6/19/2016		Staff Wages for 6/6/16 - 6/19/16	\$22,077.64

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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DISBURSEMENTS - CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

LIST OF DISBURSEMENTS FOR BOARD APPROVAL

FOR JUNE 30, 2016

PAYEE	DATE	INVOICE NO.	DESCRIPTION	AMOUNT
THE NEW CENTURY GROUP	3/10/2016	30089	Reporter Attendance and Transcript	\$374.25
UHY ADVISORS MI INC	6/15/2016		Prof Accounting Svcs - 6/1/16-6/15/16, Inv # 1177463	\$37,559.38
Subtotal				\$110,187.74
OTHER EXPENSES:				
ANGELA JAMES	6/28/2016	062816	Trustee Parking	\$100.00
Anthony B. Michaels, D.O.	5/12/2016		Disability Evaluation DPD Police Officer	\$1,100.00
ExamWorks, Inc.	6/19/2016		Independent Medical Evaluation - DPD Officer	\$995.00
P. Little	6/22/2016		MSC Overpayment Reimbursement	\$1,808.04
Subtotal				\$4,003.04
Total Disbursements for Board Approval				\$202,835.07

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NEARY, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG – 12

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST NUMBER 3639 - \$990,289.29

LIST NUMBER 3640 - \$492,968.48

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NEARY, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG – 12

NAYS – NONE

TRUSTEE **PAMELA SCALES** ENTERED THE MEETING AT 9:17 A.M.

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM)

BY TRUSTEE TUCKER – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT THE **1974** DEFINED CONTRIBUTION PLAN LOAN REQUEST LISTS SUBMITTED THIS DATE BE APPROVED AND THE REQUESTED AMOUNTS BE DISBURSED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST #1 – \$20,449.00

LIST #2 – \$60,712.00

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NEARY, ROBERSON,
SCALES, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON
PEGG – 13

NAYS – NONE

JUNE 2, 2016 MINUTES

BY TRUSTEE TROZAK – SUPPORTED BY TRUSTEE TUCKER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD **THURSDAY, JUNE 2, 2016** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NEARY, ROBERSON,
SCALES, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON
PEGG – 13

NAYS – NONE

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

ASSISTANT EXECUTIVE DIRECTOR **DAVID CETLINSKI** ASKED THE BOARD TO APPROVE UHY'S CONTRACT FOR PROCESS OPTIMIZATION AND SOFTWARE SELECTION SERVICES.

UHY CONTRACT FOR PROCESS OPTIMIZATION AND SOFTWARE SELECTION SERVICES

By Trustee Diaz – Supported By Trustee Gnatke

WHEREAS, at its regular meeting on February 11, 2016, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (“PFRS”) authorized execution of an engagement agreement with UHY Advisors of MI, Inc (“UHY”) to provide professional services for Process Optimization and Software Selection (the “Contract”); and

WHEREAS, the Contract and the services received will benefit the joint administration of the PFRS and the General Retirement System of the City of Detroit (“GRS”), and the costs for which services from UHY will be equally shared between PFRS and GRS; and

WHEREAS, the Board is in receipt of a presentation document presented to the Board on June 16, 2016, by UHY Principal Cindy Hannafey entitled “Process Optimization and Software Selection Phase I & II Report Out,” dated June 16-17, 2016 (the “Phase I & II Report”), which includes discussion of Phase III Implementation Strategy and anticipated project budget (“Phase III Implementation”); and

WHEREAS, the Board continues to view investment in improvements to optimization of administrative processes and software as a use of funds consistent with the obligation to discharge fiduciary duties to PFRS pursuant to the Public Employee Retirement System Investment Act, Act 314 of 1965; and

WHEREAS, the Board has been advised by the Executive Director and General Counsel in this matter; and

WHEREAS, the Board has considered this matter in open session; therefore be it

RESOLVED, that the Board authorizes UHY to proceed with Phase III Implementation consistent with the Phase I & II Report; and be it further

RESOLVED, that the Board authorizes a budget for Phase III Implementation of between \$3.2 million and \$4.2 million, to be equally supported and shared between PFRS and GRS; and be it further

RESOLVED, that UHY provide Phase III Implementation updates with presentations before the Board not less frequently than quarterly; and be it further

RESOLVED, that the Executive Director is authorized to execute an engagement agreement with UHY consistent with the foregoing terms subject to the Executive Director’s approval of an agreed-upon Statement of Work with UHY for Phase III Implementation, and further subject to review and approval of the form of engagement agreement for Phase III Implementation by General Counsel; and be it further

RESOLVED, that a copy of this resolution will be forwarded to UHY; and Clark Hill:

Yeas – Trustees Adams, Diaz, Gnatke, James, Jones, Neary, Roberson, Scales, Serda, Szymanski, Trozak, Tucker and Chairperson Pegg – 13

Nays – None

EXECUTIVE DIRECTOR'S REPORT

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** HAD NOTHING TO REPORT.

CHIEF INVESTMENT OFFICER'S REPORT

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** PROVIDED THE BOARD WITH AN EMERGING MANAGER PROGRAM OVERVIEW.

CHAIRPERSON **PEGG** THEN INQUIRED AS TO WHY THE SYSTEM'S INVESTMENT COMMITTEE HELD A SPECIAL MEETING (VIA TELECONFERENCE) ON JUNE 27, 2016, AND **MR. BIGELOW** INFORMED THE BOARD THAT SAID MEETING WAS HELD TO DISCUSS AND APPROVE A SALARY INCREASE FOR HIM.

TRUSTEE **TRACY THOMAS** ENTERED THE MEETING AT 9:42 A.M.; AND TRUSTEE **JOHN NAGLICK** ENTERED AT 9:55 A.M.

THE BOARD DISCUSSED THIS MATTER FURTHER AND DURING SAID DISCUSSION, CHAIRPERSON **PEGG** AND TRUSTEE **JONES** OPINED THAT THEY STRONGLY OPPOSE THE COMMITTEE'S ACTION.

PUBLIC RELATIONS ADVISOR'S REPORT

PUBLIC RELATIONS ADVISOR **BRUCE BABIARZ** PROVIDED THE BOARD WITH A POST-CHAPTER 9 BANKRUPTCY UPDATE.

LOBBYIST'S REPORT

LOBBYIST **OSCAR W. KING, III** PROVIDED THE BOARD WITH A MICHIGAN LEGISLATIVE UPDATE.

GENERAL COUNSEL'S REPORT

GENERAL COUNSEL **RONALD A. KING** ASKED THE BOARD TO ENTER INTO CLOSED SESSION TO DISCUSS PENDING LITIGATION.

GENERAL COUNSEL'S REPORT - CONTINUED

CLOSED SESSION

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **10:10 A.M.**

OPEN SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **10:35 A.M.**

LABATON SUCHAROW

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT SUBJECT TO THE BOARD'S RECEIPT OF **LABATON SUCHAROW'S** RESPONSE TO THE BOARD'S NINE-POINT QUESTIONNAIRE,

LABATON SUCHAROW - CONTINUED

GARRETT J. BRADLEY AND ANY ASSOCIATE OF HIS CHOOSING BE SCHEDULED TO APPEAR BEFORE THE BOARD TO DISCUSS **SECURITIES MONITORING**, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO **GARRETT J. BRADLEY**:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

CHAIRPERSON/VICE CHAIRPERSON DESIGNATION
EFFECTIVE JULY 1, 2016 AND TERMINATING JUNE 30, 2017

THE BOARD DISCUSSED THE PROTOCOL FOR NOMINATING AND SELECTING TRUSTEES TO SERVE AS CHAIRPERSON AND VICE CHAIRPERSON OF THE SYSTEM AT LENGTH AND NOTED THAT BECAUSE THE BOARD'S JUNE 2, 2016 AGENDA DID NOT REFLECT THAT CHAIRPERSON/VICE CHAIRPERSON SELECTIONS (FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017) WOULD BE MADE DURING THE BOARD'S JUNE 2, 2016 MEETING, ONLY THAT CHAIRPERSON/VICE CHAIRPERSON NOMINATIONS WOULD BE OFFERED, TRUSTEE THOMAS MADE THE MOTION WHICH FOLLOWS:

CHAIRPERSON/VICE CHAIRPERSON DESIGNATION
EFFECTIVE JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE ROBERSON

WHEREAS, ON JUNE 2, 2016, THE BOARD ADOPTED A RESOLUTION DESIGNATING **JOHN SERDA** TO SERVE AS CHAIRPERSON AND **JOHN TUCKER** TO SERVE AS VICE CHAIRPERSON OF THE SYSTEM FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017, AND

CHAIRPERSON/VICE CHAIRPERSON DESIGNATION
EFFECTIVE JULY 1, 2016 AND TERMINATING JUNE 30, 2017 - CONTINUED

WHEREAS, FOLLOWING EXTENSIVE DISCUSSION, THE BOARD WISHES TO RECONSIDER ITS JUNE 2, 2016 RESOLUTION, THEREFORE BE IT

RESOLVED, THAT SAID JUNE 2, 2016 RESOLUTION IS HEREBY RECONSIDERED AND RESCINDED, AND BE IT FURTHER

RESOLVED, THAT THE BOARD PROCEED TO ADOPT A NEW RESOLUTION NOMINATING AND SELECTING CHAIRPERSON AND VICE CHAIRPERSON OF THE SYSTEM FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, JAMES, JONES, NAGLICK, ROBERSON, SCALES, SZYMANSKI AND THOMAS - 8

NAYS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, TROZAK, TUCKER AND CHAIRPERSON PEGG – 7

OPENING NOMINATIONS FOR CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE ROBERSON

RESOLVED, THAT NOMINATIONS FOR CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **OPENED**:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

OPENING NOMINATIONS FOR CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 - CONTINUED

TRUSTEE **JONES** NOMINATED TRUSTEE **ROBERSON** TO SERVE AS CHAIRPERSON AND TRUSTEE **THOMAS** SUPPORTED TRUSTEE **JONES'** NOMINATION. TRUSTEE **ROBERSON** ACCEPTED SAID NOMINATION.

TRUSTEE **GNATEK** NOMINATED TRUSTEE **SERDA** TO SERVE AS CHAIRPERSON AND TRUSTEE **TROZAK** SUPPORTED TRUSTEE **GNATEK'S** NOMINATION. TRUSTEE **SERDA** ACCEPTED SAID NOMINATION.

TRUSTEE **THOMAS** NOMINATED TRUSTEE **PEGG** TO SERVE AS CHAIRPERSON AND TRUSTEE **SZYMANSKI** SUPPORTED TRUSTEE **THOMAS'** NOMINATION. TRUSTEE **PEGG** ACCEPTED SAID NOMINATION.

CLOSING NOMINATIONS FOR CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE ROBERSON

RESOLVED, THAT NOMINATIONS FOR CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **CLOSED**:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

DESIGNATION OF CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND
TERMINATING JUNE 30, 2017

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE ROBERSON

WHEREAS, CHAIRPERSON NOMINATIONS HAVE BEEN MADE AND ACCEPTED,
THEREFORE BE IT

RESOLVED, THAT THE BOARD VOTE TO DETERMINE WHICH NOMINATED
TRUSTEE WILL SERVE AS CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT
SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING **JULY 1, 2016**
AND TERMINATING **JUNE 30, 2017**:

TRUSTEE ADAMS VOTED FOR TRUSTEE ROBERSON
TRUSTEE DIAZ VOTED FOR TRUSTEE SERDA
TRUSTEE GNATEK VOTED FOR TRUSTEE SERDA
TRUSTEE JAMES VOTED FOR TRUSTEE ROBERSON
TRUSTEE JONES VOTED FOR TRUSTEE ROBERSON
TRUSTEE NAGLICK VOTED FOR TRUSTEE ROBERSON
TRUSTEE NEARY VOTED FOR TRUSTEE SERDA
CHAIRPERSON PEGG VOTED FOR TRUSTEE SERDA
TRUSTEE ROBERSON VOTED FOR TRUSTEE ROBERSON
TRUSTEE SCALES VOTED FOR TRUSTEE ROBERSON
TRUSTEE SERDA VOTED FOR TRUSTEE SERDA
TRUSTEE SZYMANSKI VOTED FOR TRUSTEE ROBERSON
TRUSTEE THOMAS VOTED FOR TRUSTEE ROBERSON
TRUSTEE TROZAK VOTED FOR TRUSTEE SERDA
TRUSTEE TUCKER VOTED FOR TRUSTEE SERDA

TRUSTEE **ROBERSON** RECEIVED 8 OF THE 15 VOTES CAST, AND TRUSTEE **SERDA**
RECEIVED 7; THEREFORE TRUSTEE **ROBERSON** IS HEREBY DESIGNATED
CHAIRPERSON OF THE SYSTEM FOR THE PERIOD COMMENCING JULY 1, 2016 AND
TERMINATING JUNE 30, 2017.

CHAIRPERSON **PEGG** RELINQUISHED THE CHAIR TO VICE CHAIRPERSON
ROBERSON AND EXCUSED HIMSELF AT 11:13 A.M.

OPENING NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE THOMAS

RESOLVED, THAT NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **OPENED**:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 14

NAYS – NONE

TRUSTEE **GNATEK** NOMINATED TRUSTEE **SERDA** TO SERVE AS VICE CHAIRPERSON AND TRUSTEE **THOMAS** SUPPORTED TRUSTEE **GNATEK'S** NOMINATION. TRUSTEE **SERDA** ACCEPTED SAID NOMINATION.

TRUSTEE **JAMES** NOMINATED TRUSTEE **TUCKER** TO SERVE AS VICE CHAIRPERSON AND TRUSTEE **ADAMS** SUPPORTED TRUSTEE **JAMES'** NOMINATION. TRUSTEE **TUCKER** ACCEPTED SAID NOMINATION.

TRUSTEE **JONES** NOMINATED TRUSTEE **THOMAS** TO SERVE AS VICE CHAIRPERSON AND TRUSTEE **DIAZ** SUPPORTED TRUSTEE **JONES'** NOMINATION. TRUSTEE **THOMAS** ACCEPTED SAID NOMINATION.

CLOSING NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE THOMAS

RESOLVED, THAT NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **CLOSED**:

CLOSING NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 - CONTINUED

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY,
SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 14

NAYS – NONE

DESIGNATION OF VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE THOMAS

WHEREAS, VICE CHAIRPERSON NOMINATIONS HAVE BEEN MADE AND ACCEPTED, THEREFORE BE IT

RESOLVED, THAT THE BOARD VOTE TO DETERMINE WHICH NOMINATED TRUSTEE WILL SERVE AS VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING **JULY 1, 2016 AND TERMINATING JUNE 30, 2017**:

TRUSTEE ADAMS VOTED FOR TRUSTEE TUCKER
TRUSTEE DIAZ ABSTAINED FROM VOTING
TRUSTEE GNATEK VOTED FOR TRUSTEE SERDA
TRUSTEE JAMES VOTED FOR TRUSTEE THOMAS
TRUSTEE JONES VOTED FOR TRUSTEE THOMAS
TRUSTEE NAGLICK VOTED FOR TRUSTEE THOMAS
TRUSTEE NEARY VOTED FOR TRUSTEE SERDA
VICE CHAIRPERSON ROBERSON VOTED FOR TRUSTEE THOMAS
TRUSTEE SCALES VOTED FOR TRUSTEE SERDA
TRUSTEE SERDA VOTED FOR TRUSTEE THOMAS
TRUSTEE SZYMANSKI VOTED FOR TRUSTEE THOMAS
TRUSTEE THOMAS VOTED FOR TRUSTEE SERDA
TRUSTEE TROZAK VOTED FOR TRUSTEE SERDA
TRUSTEE TUCKER VOTED FOR TRUSTEE SERDA

DESIGNATION OF VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

TRUSTEE TUCKER RECEIVED 1 OF THE 14 VOTES CAST; TRUSTEE SERDA RECEIVED 6; AND TRUSTEE THOMAS RECEIVED 6.

DUE TO THE FACT THAT BOTH TRUSTEES **SERDA** AND **THOMAS** RECEIVED 6 OF THE 14 VOTES CAST, TRUSTEE **THOMAS** ASKED THAT HIS NAME BE REMOVED FROM CONSIDERATION. ACCORDINGLY, TRUSTEE **SZYMANSKI** MADE THE MOTION WHICH FOLLOWS:

DESIGNATION OF VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE JONES

WHEREAS, TRUSTEE **THOMAS** NO LONGER WISHES TO BE CONSIDERED A NOMINEE FOR THE VICE CHAIRPERSON POSITION, THEREFORE BE IT

RESOLVED, THAT BY DEFAULT, TRUSTEE **JOHN SERDA** IS HEREBY DESIGNATED TO SERVE AS VICE CHAIR OF THE SYSTEM FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE **JONES** WITHDREW HER SUPPORT OF TRUSTEE **SZYMANSKI'S** MOTION AND VICE CHAIRPERSON **ROBERSON** DIRECTED THAT NOMINATIONS FOR VICE CHAIRPERSON BE RE-OPENED.

OPENING NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **OPENED**:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY,
SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND VICE
CHAIRPERSON ROBERSON – 14

NAYS – NONE

TRUSTEE **GNATEK** NOMINATED TRUSTEE **JOHN SERDA** TO SERVE AS VICE CHAIRPERSON AND TRUSTEE **NEARY** SUPPORTED TRUSTEE **GNATEK'S** NOMINATION. TRUSTEE **SERDA** ACCEPTED SAID NOMINATION.

TRUSTEE **JAMES** NOMINTED TRUSTEE **TUCKER** TO SERVE AS VICE CHAIRPERSON AND TRUSTEE **JONES** SUPPORTED TRUSTEE **JAMES'** NOMINATION. TRUSTEE **TUCKER** SUPPORTED SAID NOMINATION.

CLOSING NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT NOMINATIONS FOR VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **CLOSED**:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY,
SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND VICE
CHAIRPERSON ROBERSON – 14

NAYS – NONE

DESIGNATION OF VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

WHEREAS, VICE CHAIRPERSON NOMINATIONS HAVE BEEN MADE AND ACCEPTED, THEREFORE BE IT

RESOLVED, THAT THE BOARD VOTE TO DETERMINE WHICH NOMINATED TRUSTEE WILL SERVE AS VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING **JULY 1, 2016** AND TERMINATING **JUNE 30, 2017**:

TRUSTEE ADAMS VOTED FOR TRUSTEE TUCKER

TRUSTEE DIAZ VOTED FOR TRUSTEE SERDA

TRUSTEE GNATEK VOTED FOR TRUSTEE SERDA

TRUSTEE JAMES VOTED FOR TRUSTEE TUCKER

TRUSTEE JONES VOTED FOR TRUSTEE TUCKER

TRUSTEE NAGLICK VOTED FOR TRUSTEE SERDA

TRUSTEE NEARY VOTED FOR TRUSTEE SERDA

VICE CHAIRPERSON ROBERSON VOTED FOR TRUSTEE TUCKER

TRUSTEE SCALES VOTED FOR TRUSTEE SERDA

TRUSTEE SERDA VOTED FOR TRUSTEE SERDA

TRUSTEE SZYMANSKI ABSTAINED FROM VOTING

TRUSTEE THOMAS VOTED FOR TRUSTEE TUCKER

TRUSTEE TROZAK VOTED FOR TRUSTEE SERDA

TRUSTEE TUCKER VOTED FOR TRUSTEE SERDA

TRUSTEE **TUCKER** RECEIVED 5 OF THE 14 VOTES CAST; AND TRUSTEE **SERDA** RECEIVED 8; THEREFORE, TRUSTEE **JOHN SERDA** IS HEREBY DESIGNATED VICE CHAIRPERSON OF THE SYSTEM FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017.

CHAIRPERSON **PEGG** RETURNED TO THE MEETING AT 11:40 A.M. AND VICE CHAIRPERSON **ROBERSON** RELINQUISHED THE CHAIR TO HIM.

BANYAN REALTY ADVISORS

THE BOARD CONTACTED **LOU VOGT** VIA PHONE AND THE BOARD WAS ASKED TO ENTER INTO CLOSED SESSION TO DISCUSS PENDING LITIGATION AND REAL ESTATE INVESTMENTS.

CLOSED SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION AND REAL ESTATE INVESTMENTS:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **12:01 P.M.**

OPEN SESSION

BY TRUSTEE ROBERSON – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **1:10 P.M.**

SG MORTGAGE FUND, LLC REQUEST FOR APPROVAL OF INTERIM FUNDING AND MANAGEMENT AND SALE OF NOTE AND MORTGAGE HELD ON TUSCAN PARK APARTMENTS (NKA "INFINITY PARK"), DETROIT, MICHIGAN

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE GNATEK

WHEREAS, on June 26, 2008 the Board approved a loan commitment of \$20,000,000 to SG Mortgage Funds, LLC to provide acquisition funding of apartment communities subject to a number of requirements more fully described in that certain Loan Commitment dated June 26, 2008 which was subsequently amended August 28, 2008 ("Amended Loan Commitment"), and

WHEREAS, the commitment was further amended on September 18, 2008 to lower the pay rate from 11% to 8%, allow for funding of first mortgage loans and to allow refunding of amounts repaid under the maximum commitment of \$20,000,000, and

WHEREAS, in July 2010, the Board approved an advance pursuant to the Amended Loan Commitment to SG Tuscan Park, LLC of up to \$7,200,000 (final loan of \$6,880,800) subject to an appraisal of no less than \$9,000,000 along with other terms and conditions consistent with the Amended Loan Commitment to acquire a 482 unit apartment community located in Detroit at northeast quadrant of Telegraph Road and I-96 which provided for \$3,300,000 in purchase price, \$2,645,000 in construction rehabilitation and approximately \$1,255,000 for operating reserves, and

WHEREAS, In June 2015, the Board approved the deferral of monthly debt service payments for a three month period to provide for working capital to meet operational needs of the property and to assist borrower with achieving adequate occupancy levels to secure refinancing for the property, and

WHEREAS, after monthly debt service payments had gone unpaid since June 2015, on February 24, 2016 the Board approved entering into a forbearance agreement effective January 1, 2016 with the borrower subject to the terms recommended by its advisor which included the following:

SG MORTGAGE FUND, LLC REQUEST FOR APPROVAL OF INTERIM FUNDING AND MANAGEMENT AND SALE OF NOTE AND MORTGAGE HELD ON TUSCAN PARK APARTMENTS (NKA "INFINITY PARK"), DETROIT, MICHIGAN - CONTINUED

1. Borrower execute forbearance agreement providing for a tolling of monthly debt service payments expiring June 30, 2016 prepared by Board Counsel.
2. Borrower to suspend collection of any asset management fee from January to June 30, 2016.
3. All excess cash to be first applied to unpaid 2015 real estate taxes whose guarantors Derron Sanders and Josh Griggs remain personally liable under the loan documents.
4. Borrower to enter into a listing agreement to market the property with a nationally recognized broker approved by the Board's advisor.
5. All other terms and conditions of the loan to be consistent with the loan.

AND WHEREAS, the Board received a letter dated June 30, 2016 from its real estate advisor reporting on the results of the marketing effort and concerns for the deteriorating levels of operation at the property and after review approved the recommendations of its advisor of the following items:

1. Secure deed in lieu of foreclosure from the borrower.
2. Approve sale of the note to Herb Strathers at \$6,800,000 with delivery of the deed to an entity of his choice.
3. Approve brokerage commission to Marcus Millichap of 3% on note sale only.
4. Approve retaining King Management effective July 1, 2016 to immediately secure the property on a short term basis.
5. Approve funding up to \$250,000 to provide security and cover essential property operations through closing with Herb Strathers, or his assigns.
6. Normal pro rations to occur on sale related to real estate taxes, security deposits, etc.

THEREFORE BE IT RESOLVED, that the Board's legal counsel, Ronald A. King, is hereby requested to prepare the necessary documents, and be it further

RESOLVED, that all documents be approved as to form by the Board's legal counsel and Chief Investment Officer prior to said documents being executed by two authorized signatories on behalf of the Board, and be it further

SG MORTGAGE FUND, LLC REQUEST FOR APPROVAL OF INTERIM FUNDING AND MANAGEMENT AND SALE OF NOTE AND MORTGAGE HELD ON TUSCAN PARK APARTMENTS (NKA "INFINITY PARK"), DETROIT, MICHIGAN - CONTINUED

RESOLVED, that a copy of this resolution be forwarded to the Borrower, SG Tuscan Park, LLC, 17255 West 10 Mile Road, Southfield Michigan 48075; Lou Vogt, Banyan Realty Advisors, 501 N. Magnolia Avenue, Orlando, Florida 32801; and the Board's legal Counsel, Ronald A. King:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 15

NAYS – NONE

TRUSTEE **DIAZ** EXCUSED HIMSELF AT 1:12 P.M.

THANKING OUR CHAIRPERSON AND VICE CHAIRPERSON

THE BOARD EXTENDS ITS APPRECIATION AND HEARTFELT THANKS TO **JEFFREY PEGG** AND **PORTIA ROBERSON** FOR THEIR FAITHFUL AND DEVOTED SERVICE AS CHAIRPERSON AND VICE CHAIRPERSON, RESPECTIVELY, OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD WHICH COMMENCED **JULY 1, 2015** AND TERMINATED **JUNE 30, 2016**.

PUBLIC FORUM

AT **1:15 P.M.**, **CHAIRPERSON PEGG** DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, **CHAIRPERSON PEGG** ADJOURNED THE MEETING AT **1:15 P.M.** UNTIL **THURSDAY, JULY 14, 2016**, AT **9:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS, ONE DETROIT CENTER, 500 WOODWARD AVENUE, 30TH FLOOR (SUITE 3000), DETROIT, MICHIGAN 48226.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3098 – THURSDAY – JUNE 30, 2016

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ADJOURNMENT - CONTINUED

RESPECTFULLY SUBMITTED,



DAVID CETLINSKI
ASSISTANT EXECUTIVE DIRECTOR